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Attorney for Securities Department

BEFORE THE STATE AUDITOR, EX-OFFICIO COMMISSIONER OF SECURITIES  
FOR MONTANA

IN THE MATTER OF:	)	
	)	CASE NO.: SEC-2008-21
GLOBAL SPORTS MARKETING	)	(03-02-07-253-C)
CORPORATION, dba GLOBAL	)	
BROADCAST DIGITAL NETWORK	)	NOTICE OF PROPOSED AGENCY
112 Glenn Oak Road	)	DISCIPLINARY ACTION AND
Norristown, PA 19403-2927	)	OPPORTUNITY FOR HEARING
	)	
WAYNE DERRICK BUTLER,	)	
Individually and in his capacity as CEO for	)	
Global Sports Marketing, Inc., and CRAIG	)	
STEEN, individually and in his capacity as	)	
Chairman of the Board for Global Sports	)	
Marketing, Inc.,	)	
	)	
Respondents.	)	

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Staff of the Securities Department of the office of the State Auditor as Commissioner of Securities of the state of Montana (Department), pursuant to the authority of the Securities Act of Montana, § 30-10-101, et seq., Mont. Code Ann. (2005), proposes to the Commissioner that he take specific action against GLOBAL SPORTS MARKETING, INC., dba GLOBAL BROADCAST DIGITAL NETWORK (GLOBAL), WAYNE DERRICK BUTLER (BUTLER), and CRAIG STEEN (STEEN) for violations of the Montana Securities Act. The Commissioner has authority to take such action under the provisions of §§ 30-10-102, 30-10-107, 30-10-201, 30-10-301, 30-10-304, 30-10-305 and 30-10-309, Mont. Code Ann. (2007).

In particular, the Department's staff is recommending specific action against Global, Butler and Steen including imposition of appropriate restitution amounts, imposition of appropriate fines pursuant to the provisions of the Montana Securities Act, and an immediate cease and desist order, as well as any equitable relief deemed appropriate.

Service of process is made pursuant to § 30-10-107 (8), Mont. Code Ann. (2007).

### **REASONS FOR ACTION**

There is reason to believe that the following facts, if true, justify and support specific disciplinary action.

### **ALLEGATIONS**

1. Global Sports Marketing Corporation was incorporated in the state of Delaware on or about June 3, 2004. In documents reviewed by the Department, the only two known principals of Global are Butler and Steen. Global is not now nor has it ever been registered with the Department in any capacity. The last known address for Global is 112 Glenn Oak Road, Norristown, PA 19403-2927.

2. In documents reviewed by the Department, Global Digital Broadcast Network appears to be owned by Global Sports Marketing Corporation. It appears this business has never been incorporated in any state. Global Digital Broadcast Network is not now nor has it ever been registered with the Department in any capacity. The last known address for Global Digital Broadcast Network is the same as the parent company, 112 Glenn Oak Road, Norristown, PA 19403-2927. Throughout documents reviewed by the Department, it appears the business names Global Sports Marketing Corporation and Global Digital Broadcast Network are used interchangeably.

3. In its marketing materials, Global Sports Marketing claims to own other businesses or companies that also are not incorporated anywhere including Icastnet which was supposed to provide information services such as news and weather on the plasma screens described throughout this report.

4. Wayne Derrick Butler (Butler) is the president and CEO of Global Sports Marketing Corporation. Butler's last known address is the same as the company address, 112 Glenn Oak Road, Norristown, PA 19403-2927. Butler is not now nor has he ever been registered with the Department in any capacity.

5. Craig Steen (Steen) is the Chairman of the Board of Global Sports Marketing Corporation. Steen's last known address is P.O. Box 160908, Big Sky, MT 59716. Steen is not now nor has he ever been registered with the Department in any capacity.

6. On or about December 29, 2006, the Department received a complaint from a Montana citizen, identified herein as Complainant, regarding Butler and Global. Complainant stated that he and several other Montanans had invested in Global in a program whereby Global would purchase digital plasma screens on behalf of investors and place them in high traffic areas such as shopping centers and airports. Global was to then sell advertising through these screens. Passive investors were to receive a significant portion of the advertising revenue. According to Complainant, Global never purchased any digital plasma screens, never installed said plasma screens, and never sold advertising. Complainant indicated Butler used investor funds for his own personal use.

7. On January 23, 2007, March 2, 2007 and October 3, 2007, the Department requested information from Butler regarding Global's offer and sale of securities in the state of Montana. Butler has failed to provide any of the requested information to the Department.

8. On or about November 13, 2007 the Department met with four Global investors who provided a substantial number of documents related to Global, Butler, Steen, and the securities these individuals or entities offered and sold. These documents include promissory notes, contracts, wire transfers, copies of checks, correspondence, and court documents.

9. Beginning on or about November 13, 2007, the Department initiated contact with other known Global investors, requesting copies of contracts, promissory notes, checks, wire transfers, and other documents related to their investments in Global. The Department also interviewed these investors to determine how they learned about Global, who solicited their investment, and what they were told about the investment. Steen was one of the investors interviewed.

10. Pursuant to the information obtained through the Department's investigation of this matter, the following facts discovered.

11. Butler and Steen met in 2002 through a mutual acquaintance. According to Steen, in October 2003, Butler approached Steen with a proposal to do advertising in several sporting arenas. Butler told Steen that an investment of \$200,000 would be sufficient to install and operate four plasma screens in four arenas with which he had contracts. Sales of advertisements would be made in the spring of 2004. The Department has no evidence that these screens were ever purchased or installed.

12. In a letter to Steen dated February 15, 2004, Butler states, "center city Philadelphia is a passive investment opportunity that will provide an excellent return on investment (ROI). All investors will double their money or better in the first year. Because we only have room for twelve investors and eight of the twelve have been sold or committed the remaining four will go to you." Further Butler states, "I would like to keep the initial rollout

among family and friends since we know we are going to make money.” (Did Steen invest \$200,000?)

13. In early 2005, Global created an offering document that it used to solicit investors. The cover of this document states “Join the Millionaire Club! Turn 37K into \$100,000 a month.” The document states that Global Sports Marketing Corporation owns and operates a variety of companies including Global Digital Broadcast Network, Global Kiosk Marketing, Global Coupon Marketing, Icastnet, and three online casinos.

14. Specifically in regards to Global Digital Broadcast Network, the offering document states “Utilizing the latest in flat screen technology, Global Digital Broadcast Network digital displays are able to incorporate full motion television quality still and moving graphics into the advertising. By placing the display in an area of high foot traffic the screen becomes a uniquely focused and powerful advertising tool.” The document offers an “Affiliation Package” which claims it allow investors to purchase two actual physical screens that would be placed in high traffic areas. The initial investment cost \$37,000 (\$15,000 for the license, \$22,000 for the equipment). In addition there was a \$75 per screen per month fee, and \$1,000 annual renewal fee.

15. The investor marketing materials provide income projections for investors, indicating a maximum return on investment for passive investors of approximately \$45,320 per month for two screens. According to agreements between Global and the investors, Global would charge \$4/minute for advertisements on the screens, with passive investors receiving 50% of this revenue. Global was to install and maintain the screens and sell the advertising. All Montana investors were passive investors.

16. In an undated letter to investors, Butler states “we have secured approximately forty major building locations to install our plasma screens. I expect us to have nearly eighty buildings in the next week or two.” The Department has no information indicating that these screens were ever purchased or installed.

17. In the same undated letter identified in paragraph (16) Butler states, “I expect the price of the affiliate to double in price by April 30, 2005. The affiliate price would go from \$37,000 to \$74,000. What this means for the passive investor is your equity position would improve 100%. Therefore you could sell for twice the price you paid to purchase your affiliate.”

18. Global evidenced its investments through a variety of agreements. One of these agreements was the Global Digital Broadcast Affiliate License Agreement, which initially cost \$37,000 for the standard affiliate package. For passive investors, a Global Digital Broadcast Passive Business Model Addendum was included. This addendum states “a passive business model is one in which the purchaser (investor) purchases an affiliate(s) package(s) from Global and the day to day operations of the business are performed by Global.” Those investors purchasing plasma screens to be installed in shopping malls completed either a Global Sports Marketing Corporation License Agreement or an Equipment Purchase and Licensing Agreement. The price for mall screens was different than for the standard affiliate package.

19. On or about March 4, 2005, a Montana investor identified herein as Investor 1 completed a Global Digital Broadcast Affiliate License Agreement for a standard affiliate package that included two plasma screens that were to be installed in Philadelphia, Pennsylvania. This agreement was signed by Butler. This agreement was accompanied with a Global Digital Broadcast Passive Business Model Addendum. Investor 1 wrote a check in the amount of \$37,000 to Global for this investment using funds from a home equity loan.

20. On March 10, 2005, Investor 1 completed another Global Digital Broadcast Affiliate License Agreement for a second standard affiliate package that included two plasma screens that were to be installed in Philadelphia, Pennsylvania. This agreement was signed by Butler and witnessed by C. Steen. This agreement was accompanied with a Global Digital Broadcast Passive Business Model Addendum. Investor 1 wrote a check in the amount of \$37,000 to Global for this investment using funds from a home equity loan.

21. Investor 1 indicated to the Department that at some point Butler changed how the affiliation program worked, allowing investors to purchase more than two screens per affiliate agreement. On or about April 20, 2005 Investor 1 purchased an additional plasma screen for \$11,000. Investor 1 was not provided any evidence of ownership for this investment.

22. On or about April 19, 2005, Investor 1 completed a Global Digital Broadcast Affiliate License Agreement for an unknown number of plasma screens that were to be installed in Philadelphia, Pennsylvania. This agreement was signed by Butler. This agreement was accompanied with a Global Digital Broadcast Passive Business Model Addendum. Investor 1 used \$59,000 from Investor 1's IRA for this investment.

23. On or about September 29, 2005, Investor 1 completed a Global Sports Marketing Corporation License Agreement for one plasma screen that was to be placed in a shopping mall. Steen witnessed this agreement as Chairman of the Board for Global. Investor 1 wired \$16,000 to Global for this investment.

24. On or about September 13, 2005, a Montana investor identified herein as Investor 2 purchased one plasma screen. Butler failed to provide any documents evidencing this investment. Investor 2 used \$8,442 from Investor 2's IRA to purchase this investment.

25. On or about September 15, 2005, Investor 1 purchased one plasma screen that was to be installed in a shopping mall. Butler failed to provide any documents evidencing this investment. Investor 1 used \$14,888 from Investor 1's IRA to purchase this investment.

26. On or about October 5, 2005, Investor 2 completed a Global Sports Marketing Corporation License Agreement for two plasma screens that were to be placed in a shopping mall. Steen witnessed this agreement as Chairman of the Board for Global. Investor 2 used \$36,000 from Investor 2's IRA for this investment.

27. In total, from on or about March 4, 2005 to September 15, 2005, Investor 1 and Investor 2 purchased 15 plasma screens for approximately \$219,330. As a result of the loss of these funds, Investor 1 has had to return to work. Steen introduced and sold these investment opportunities to Investor 1 and 2. Investors 1 and 2 were told by Butler that they could become millionaires with their investment. To date, Investors 1 and 2 have received six checks from Global totaling \$14,288.22. It does not appear any of the plasma screens were ever purchased or installed.

28. On or about September 14, 2005, a Montana investor identified herein as Investor 3 purchased one plasma screen that was to be installed in a shopping mall for \$16,000. This transaction is evidenced through a Global Sports Marketing Corporation Licensing Agreement. Steen introduced and offered the investment opportunity to Investor 3. Steen indicated Investor 3 could expect an annual return of 30%-40% and indicated other investors were already receiving substantial returns on their investments. Investor 3 paid for the investment with a personal check given to Steen. Steen submitted this check to Global. To date, Investor 3 has not received any return on the investment.



29. On or about May 24, 2005, a checking account in the name of BDS Investments was created by Montana investors identified herein as Investor 3, 4, 5, 6, 7, and 8 for the purpose of making an investment in Global. On or about June 3, 2005, BDS Investments purchased multiple plasma screens from Global for \$125,000. This is evidenced by a Global Digital Broadcast Passive Business Model Addendum and Equipment Purchase and Licensing Agreement. Steen signed these documents as Chairman of the Board. Steen introduced and offered the investment opportunity to Investor 3, a member of BDS Investments. To date, BDS investments has received a return of \$6,544.20 from Global. It does not appear any of the plasma screens were ever purchased or installed.

30. On or about September 14, 2005, Investors 5 and 6 completed a Global Sports Marketing Corporation License Agreement for one plasma screen that was to be installed in a shopping mall. Steen witnessed this agreement as Chairman of the Board for Global. Investors 5 and 6 wrote a check for \$12,500 on or about September 12, 2005 and a check for \$3,500 on or about October 17, 2005 to purchase this investment. The first check was given to Steen. The second check was mailed directly to Global. Steen introduced and offered the investment opportunity to Investors 5 and 6. Steen indicated this was an opportunity Investors 5 and 6 needed to take advantage of quickly, and that they could expect a substantial return on their investment. To date Investors 5 and 6 have not received any return on this investment. It does not appear any of the plasma screens were ever purchased or installed.

31. On or about March 11, 2005, Montana investors identified herein as Investors 9 and 10 completed a Global Digital Broadcast Affiliate License Agreement for the standard affiliate package that included two plasma screens to be installed in Philadelphia, Pennsylvania. This agreement was signed by Butler. This agreement also appears to be initialed by Steen with

multiple references to him throughout the document. This agreement was accompanied with a Global Digital Broadcast Passive Business Model Addendum. Investors 9 and 10 wrote a check for \$37,000 to purchase this investment. Investors 9 and 10 gave this check to Steen who submitted it to Global.

32. On or about September 8, 2005, Investors 9 and 10 made an additional investment for two additional plasma screens. Global failed to provide any complete documents evidencing this investment. Investors 9 and 10 wrote a check for \$32,000 to purchase this investment. Investors 9 and 10 gave this check to Steen who submitted it to Global.

33. In total Investors 9 and 10 invested \$69,000 in Global. Steen introduced and offered the investment opportunity to these investors. To date, Investors 9 and 10 have received \$4,142.40 from Global. It does not appear any of the plasma screens were ever purchased or installed.

34. On or about September 30, 2005, Montana investors identified herein as Investors 11 and 12 completed an Equipment Purchase and Licensing Agreement for six plasma screens that were to be installed in shopping malls. This agreement is signed by Steen as Chairman of the Board of Global. Investors 11 and 12 paid \$96,000 for this investment.

35. On or about April 7, 2005, Investors 11 and 12 completed a Global Digital Broadcast Affiliate License Agreement for one standard affiliate package of two plasma screens plus the purchase of two additional plasma screens. The agreement states that these screens would be installed in the greater Philadelphia area. This agreement is signed by Butler and witnessed by Steen. This agreement was accompanied with a Global Digital Broadcast Passive Business Model Addendum. Investors 11 and 12 wrote a check to Global for \$57,000 for this investment.

36. On or about July 24, 2005, Investors 11 and 12 completed an Equipment Purchase and Licensing Agreement for six plasma screens that were to be installed in shopping malls. This agreement is signed by Steen as Chairman of the Board of Global. Investors 11 and 12 paid \$66,000 for this investment.

37. In total, Investors 11 and 12 invested \$219,000 into Global. Steen introduced and offered this investment opportunity to these investors. Steen told Investors 11 and 12 they could expect an extraordinary return on their investment. Investors 11 and 12 paid for their investments with personal checks, which they either hand delivered to Steen or mailed directly to Global. To date Investors 11 and 12 have received a return of \$4,285.60 from Global. It does not appear any of the plasma screens were ever purchased or installed.

38. On or about March 4, 2005, Complainant and Montana investor identified herein as Investor 13 completed a Global Digital Broadcast Affiliate License Agreement for two plasma screens that were to be installed in central Philadelphia. This agreement was signed by Butler and witnessed by Steen. This agreement was accompanied with a Global Digital Broadcast Passive Business Model Addendum. Complainant and Investor 13 paid for this \$37,000 investment through a combination of two personal checks, a credit card, and \$3,000 in cash. The checks and cash were given to Steen. Although the checks were forwarded on to Global, there is no indication that Steen forwarded the cash to Global.

39. On or about April 13, 2005, Complainant and Investor 13 completed a Global Digital Broadcast Affiliate License Agreement for four additional plasma screens that were to be installed in central Philadelphia. This agreement was witnessed by Steen. Complainant and Investor 13 paid for this \$44,000 investment with a personal check.

40. On or about September 9, 2005, Complainant and Investor 13 completed an Equipment Purchase and Licensing Agreement for 1 and 1/4 plasma screens that were to be installed in shopping malls. This agreement is signed by Steen as Chairman of the Board of Global. Complainant and Investor 13 paid for this \$20,000 with two personal checks and \$1,000 cash. The checks and cash were given to Steen. Although the checks were forwarded on to Global, there is no indication that Steen forwarded the cash to Global.

41. On or about April 2005, Complainant and Investor 13 made an investment for its children identified herein as Investors 14 and 15. Complainant and Investor 13 invested \$22,000 each for its children for an unknown number of plasma screens.

42. In total the Montana family identified herein as Complainant, Investor 13 and Investors 14 and 15 invested \$145,000 in Global. These investments were introduced, offered, and sold by Steen. To date this Montana family has received a return of \$13,537.32 from Global. It does not appear any of the plasma screens were ever purchased or installed.

43. On or about March 4, 2005, Montana investors identified herein as Investors 16 and 17 completed a Global Digital Broadcast Affiliate License Agreement for a standard affiliate package that included two plasma screens that were to be installed in the city of Philadelphia, Pennsylvania. Butler signed this agreement. This agreement was accompanied with a Global Digital Broadcast Passive Business Model Addendum. Investors 16 and 17 paid for this \$37,000 investment with a personal check.

44. On or about April 19, 2005, Investors 16 and 17 completed a Global Digital Broadcast Affiliate License Agreement for an additional four plasma screens that were to be installed in the city of Philadelphia, Pennsylvania. Butler signed this agreement and it was witnessed by Steen. This agreement was accompanied with a Global Digital Broadcast Passive

Business Model Addendum. Investors 16 and 17 paid for this \$44,000 investment with a personal check.

45. On or about September 9, 2005, Investors 16 and 17 completed an Equipment Purchase and Licensing Agreement for four plasma screens that were to be installed in shopping malls. This agreement was signed by Steen as Chairman of the Board for Global. Investors 16 and 17 paid for this \$44,000 investment with a personal check.

46. In total, Investors 16 and 17 invested \$125,000 with Global. Steen introduced and solicited these investments in Global. On at least one occasion, Investors 16 and 17 hand delivered their check to Steen. To date, Investors 16 and 17 have received a return of \$4,628.40 from Global. It does not appear any of the plasma screens were ever purchased or installed.

47. On or about April 22, 2005, Montana investors identified herein as Investors 18 and 19 invested \$20,000 via a wire transfer from their personal bank account to a bank account owned and controlled by Global. Investors 18 and 19 were solicited by Steen to invest in Global. To date, Investors 18 and 19 have received a return of \$1,542.40 from Global. It does not appear any of the plasma screens were ever purchased or installed.

48. Between on or about August 26, 2003 and December 9, 2004, Montana investors identified herein as Investors 20 and 21 invested \$130,000 in Global. On three occasions, Investors 20 and 21 wired funds to a bank account owned and controlled by Steen. Steen then wired these funds to Global. On one occasion, Investors 20 and 21 wired money directly to Global. On or about December 31, 2004, these investments were evidenced by a promissory note with Steen, Butler, and Global. This \$130,000 promissory note was to pay interest of 10% per year. This note did not have a maturity date. In addition hand written notes indicate that this promissory note was increased to \$150,000 after an additional investment of \$20,000 by

Investors 20 and 21 was made on the same date as the original note. Investors 20 and 21 wrote a check to Steen for this additional \$20,000 investment.

49. In addition, on November 25, 2005 and December 22, 2005 Investors 20 and 21 invested an additional \$51,500 in Global, for a total investment of \$201,500. It is unknown if these additional investments were evidenced by a promissory note. To date Investors 20 and 21 have received a return of \$3,084.80 from Global. It does not appear any of the plasma screens were ever purchased or installed.

50. In an email dated October 31, 2005 to investors, Steen states, “The intentions that people get a good return on their investments has not changed.” Further, he states that investors that are not happy can get their money back. Nearly all Montana investors have requested their investment dollars be returned to them. As a result of the Department’s investigation, it appears that no investor has received their principal back, nor did they receive the majority of the interest promised.

51. On or about July 20, 2006, Steen sent investors an email stating that Global would be placing screens in the offices of the Indiana Department of Motor Vehicles. Steen stated that investors should see a good return on this relationship with the Indiana DMV.

52. On or about September 20, 2006, the State of Indiana informed Global Sports Marketing that the contract between the Indiana Bureau of Motor Vehicles and Global had been cancelled. The letter from the State of Indiana states that the contract had been cancelled because on September 13, 2006, Butler verbally informed the State of Indiana that Global would not be carrying out the work to fulfill the contract. The contract with the State of Indiana is the only known contract Global ever had to install its screens.

53. On or about September 20, 2006, three Global investors filed an involuntary Chapter 7 Bankruptcy against Global. These investors, Steen and Investors 20 and 21, claimed that Global was in default on loans and promissory notes totaling \$1,239,516. This bankruptcy was filed in the U.S. Bankruptcy Court, District of Delaware.

54. In an affidavit filed by Steen in Global's involuntary bankruptcy, Steen states Global's board of directors consisted of Wayne Butler and Craig Steen. Steen states that Global was capitalized by "soliciting investments from my friends and relatives in the amount of approximately \$1 million. I invested approximately \$1 million as well." These investments were made in the form of loans to (Global) or various contractual agreements. Butler told investors that they would double or almost triple their investment. Steen states that Butler may have used as much as \$800,000 of these investor funds over the past three years for his benefit and/or non-corporate purposes.

55. In an email to Steen, a former Global employee, Michael Mullen, indicates Butler misled investors regarding a contract Global had with the King of Prussia Mall in Philadelphia. Butler told investors that Global had a signed contract with the shopping mall and that Global would be placing plasma screens in the mall. Mullen states this contract never existed and no plasma screens were placed in the mall.

56. At least 14 Montana investors purchased what they believed to be plasma screens that were to be installed in shopping malls for the purpose of selling advertising for profit. Global has not demonstrated in any way that it had any contract with any shopping malls to install plasma screens or that any plasma screens were ever purchased or installed.

57. From the information the Department received, it appears that at least 22 individuals were offered or sold securities in Global to or from the state of Montana from on or

about August 2003 to the present. These 22 individuals invested approximately \$2,067,800. These investments were solicited by both Steen and Butler. In some cases, investors would hand deliver or wire funds to Steen, a Montana resident, while in other cases investors would mail or wire funds to Global in Pennsylvania. In most cases, investors were led to believe by both Steen and Butler that they could receive a return on their investment of between 30%-50% a year and even become a millionaire.

58. It appears that some of the investors' funds were used for personal use by Butler and Steen. In a Global bank account, controlled by Butler, and funded largely with investor dollars, Butler and his son Wayne Butler Jr. received checks totaling \$85,409. In addition, Monica Butler received \$1,299. Further, this account was used to purchase approximately \$2,105 of tobacco products, \$3,504 in hotels and airfare, \$1,059 in meals, and \$4,393 in furniture. In addition, \$19,073 was spent on a variety of other uses including clothing (Men's Warehouse, Marshalls), entertainment, (Rhapsody Music, Gameworld), dating services (True.com, Singles Connection), food (7-Eleven, Giant Food Stores), and other goods (CVS Pharmacy, RiteAid Stores, Sears, Home Depot). Another approximately \$25,934 in cash was withdrawn from this account. Due to poor management the account incurred NSF and overdraft fees of \$4,620. No money was spent to purchase digital plasma screens or to have such screens installed anywhere.

59. Between September 2005 and February 2006, Global purchased two vehicles: a new 2006 Ford Econoline truck, and a 1999 Porsche. The Porsche was purchased with a down payment of \$12,200. The total sales price for the Porsche was \$33,213.80. No down payment was made on the Ford which had a total sales price of \$32,168.40. Steen signed the sales contract for both of these vehicles as a representative for Global. On or about September 5,



2006, Steen was notified by Beneficial Savings Bank that it had repossessed the Ford Econoline because of default on the loan agreement. The notice stated that the vehicle would be sold unless Steen paid for the vehicle in full within 15 days. It is unknown if Steen or Global paid for the vehicle or if it was sold by the bank.

Based on the foregoing allegations, the Department submits the following:

### **CONCLUSIONS OF LAW**

1. The State Auditor is the Commissioner of Securities (Commissioner) pursuant to §§ 30-10-107 and 2-15-1901, Mont. Code Ann.
2. The Commissioner has jurisdiction over this matter pursuant to §§ 30-10-102, 30-10-107, 30-10-201, 30-10-301, 30-10-304, 30-10-305, and 30-10-309, Mont. Code Ann.
3. Respondents Global, Butler and Steen are “persons” as defined at § 301-10-103 (16), Mont. Code Ann.
4. Respondents Butler and Steen are not registered to sell securities in Montana in violation of § 30-10-201, Mont. Code Ann.
5. Respondent Global and all its companies affiliated with the digital plasma screen advertising investments are not registered securities in Montana, nor are they eligible for any exemption to registration, as required by § 30-10-202, MCA.
6. Respondents Butler and Steen offered and sold unregistered Global securities in violation of § 30-10-202, Mont. Code Ann.
7. All Respondents violated § 30-10-301(1)(b), Mont. Code Ann., when they developed and distributed a document that misled Global investors about the likelihood of potential returns on their investment.

8. All Respondents violated § 30-10-301(1)(b), Mont. Code Ann., when they failed to disclose to investors the risks associated with their investment in Global.

9. All Respondents violated § 30-10-301(1)(b), Mont. Code Ann., when they failed to disclose to investors that the investment dollars were being used for the personal benefit of Butler and Steen.

10. All Respondents violated § 30-10-301(1)(b), Mont. Code Ann., when they misled investors about contracts Global had with shopping malls and other businesses regarding the installation of plasma screens that were to be used for advertising.

11. All Respondents violated § 30-10-301(1)(c), Mont. Code Ann., when they engaged in an act, practice and course of business that acted as a fraud or deceit on their customers by distributing a document that misled potential investors of Global about the likelihood of potential returns on their investment.

12. All Respondents violated § 30-10-301(1)(c), Mont. Code Ann., when they engaged in an act, practice and course of business that acted as a fraud or deceit on their customers by failing to disclose to investors the risks associated with their investment in Global.

13. All Respondents violated § 30-10-301(1)(c), Mont. Code Ann., when they engaged in an act, practice and course of business that acted as a fraud or deceit on their customers by failing to inform investors that their monies were being used for the personal benefit of Butler and Steen.

14. All Respondents violated § 30-10-301(1)(c), Mont. Code Ann., when they engaged in an act, practice and course of business that acted as a fraud or deceit on their customers by misleading investors about contracts Global had with shopping malls and other businesses regarding the installation of plasma screens that were to be used for advertising.

### **RELIEF SOUGHT**

1. Order all Respondents to cease and desist their actions in violation of the Montana Securities Act.
2. Order all Respondents to pay restitution to their Montana customers who were harmed by the actions of Global, Butler and Steen in violation of the Montana Securities Act, including 10% interest from the date of the wrongdoing, pursuant to § 30-10-309, Mont. Code Ann.
3. Order all Respondents to pay fines not to exceed \$5,000 for each identifiable violation of § 30-10-301, Mont. Code Ann., pursuant to § 30-10-305(3), Mont. Code Ann.
4. Order Butler and Steen to pay fines not to exceed \$5,000 for each identifiable violation of § 30-10-201, Mont. Code Ann., pursuant to §§ 30-10-201 (18) and 30-10-305(3), Mont. Code Ann.
5. Order Butler and Steen to pay a fine not to exceed \$5,000 for violating § 30-10-201, Mont. Code Ann., pursuant to § 30-10-201 (18), Mont. Code Ann.
6. Order Butler and Steen to pay a fine not to exceed \$5,000 for each identifiable violation of § 30-10-202, Mont. Code Ann., pursuant to § 30-10-305 (3), Mont. Code Ann. and
7. Any other such relief allowed by law or required by justice.

### **PUBLIC INTEREST**

For any and all of the reasons set forth above, it is in the public interest and will protect Montana investors to:

1. Issue a cease and desist order barring all Respondents from further violations of the Act;

2. Order all Respondents to pay administrative fines in an amount and upon such terms and conditions as supported by the evidence and determined at hearing of this matter;

3. Order all Respondents to pay restitution to their Montana customers harmed by the Respondents' actions of in violation of the Montana Securities Act in an amount and upon such terms and conditions, including the statutory 10% per annum interest on the losses incurred, as supported by the evidence and determined at hearing of this matter; and

4. Take such other actions which may be in the public interest and necessary and appropriate for the protection of Montana investors.

### **STATEMENT OF RIGHTS**

You are entitled to a hearing to respond to this notice, present evidence and arguments on all issues involved in this case. You have a right to be represented by an attorney at any and all stages of this proceeding. You may demand a formal hearing before a hearing examiner appointed by the Commissioner pursuant to the Montana Administrative Procedure Act, §§ 2-4-601, Mont. Code Ann. and following, including § 2-4-631, Mont. Code Ann. If you demand a hearing, you will be given notice of the time, place and the nature of the hearing.

If you want to contest the proposed action under the jurisdiction of the Commissioner, you must advise the Commissioner within 15 days of the date you receive this notice. You must advise the Commissioner of your intent to contest the proposed action by writing to Roberta Cross Guns, Special Assistant Attorney General, State Auditor's Office, 840 Helena Avenue, Helena, Montana 59601. Your letter must clearly indicate whether you demand a hearing, or whether you waive formal proceedings and, if so, what informal proceedings you prefer for disposition of this case. Pursuant to § 2-4-603(2), Mont. Code Ann., you may not request to

proceed informally if the action could result in suspension, revocation or any other adverse action against a professional license.

Should you request a hearing, you have the right to be accompanied, represented, and advised by counsel. If the counsel you choose has not been admitted to practice law in the state of Montana, he or she must comply with the requirements of *Application of American Smelting and Refining Co.*, (1973), 164 Mont. 139, 520 P.2d 103 and *Montana Supreme Court Commission on the Unauthorized Practice of Law v. Jerry O'Neil* (2006), 2006 MT 284, 334 Mont. 311, 147 P.3d 200.

#### **CONTACT WITH SECURITIES COMMISSIONER'S OFFICE**

If you have questions or wish to discuss this matter, please contact Roberta Cross Guns, legal counsel for the State Auditor, at 840 Helena Avenue, Helena, MT, 59601, (406)-444-2040 or, within Montana, (800)-332-6148. If an attorney represents you, please make any contacts with this office through your attorney.

#### **POSSIBILITY OF DEFAULT**

Failure by Respondents to give notice or to advise of Respondents' demand for a hearing or informal procedure within 15 days, will result in the entry of a default order imposing the disciplinary sanctions against Respondents, without further notice to Respondents, pursuant to 6.2.101, Administrative Rules of Montana and the Attorney General's Model Rule 10, 1.3.214.

DATED this 2nd day of June 2008.

JOHN MORRISON  
State Auditor and ex-officio  
Commissioner of Securities

By: Roberta Cross Guns  
Roberta Cross Guns  
Special Assistant Attorney General

**CERTIFICATE OF SERVICE**

This is to certify that on this 2nd day of June 2008, a copy of the foregoing was served upon the following persons by depositing a copy of the action in the U.S. Mail, certified, return receipt requested, postage prepaid, addressed to:

Wayne Derrick Butler  
112 Glenn Oak Road  
Norristown, PA 19403-2927

Global Sports Marketing Corporation  
112 Glenn Oak Road  
Norristown, PA 19403-2927

Craig Steen  
P.O. Box 160908  
Big Sky, MT 59716

Robert Cross Guns  
State Auditor's Office